

Equipment-Facilities

Subject: Local Disposal of Vehicles or Equipment

Information:

The purpose of these guidelines is to provide transit agencies with the procedure for disposing of vehicles or equipment locally. The Department of Management & Budget (DMB) has granted the Michigan Department of Transportation (MDOT) the authority to allow the local sale of transit vehicles or equipment under these guidelines.

The FTA permits states and their subrecipients to follow state laws and procedures for disposing of transit vehicles or equipment. States are not required to return to FTA, proceeds from the disposal of vehicles and equipment, regardless of the fair market value at the time the transit vehicle or equipment is sold, but should follow their own procedures regarding the use of proceeds, so long as the proceeds remain in use for mass transit purposes.

Funds derived from the disposal of transit vehicles or equipment originally purchased under a 100% state grant, a state administered federal grant or the state portion of a nonstate administered federal grant shall be retained by the grantee and used in supporting the provision of public transportation.

All vehicle titles showing the State of Michigan as first secured party must be signed by the Administrator of MDOT's Financial Operations Division, (FOD), prior to any disposal.

Actions Needed:

1. Notify your MDOT project manager of your desire to dispose of a vehicle and/or equipment. For vehicles, this notification must include the following information:
 - a. Title (If MDOT is first secured party on the title)
 - b. Vehicle Year
 - c. Chassis/Body
 - d. Lift/Nonlift
 - e. Seating Capacity
 - f. Vehicle Identification Number
 - g. State Plate Number (If known)
 - h. Mileage
 - i. General Condition

Equipment-Facilities

Subject: Disposal (Buses and Equipment)

Actions Needed:

2. Your MDOT project manager will notify you in writing to dispose of the vehicle and/or equipment by one of the following methods:
 - a. TA must obtain a fair market value from a reputable dealer or PTD. The vehicle and/or equipment can be sold to anyone at that price;
 - b. Auction by local auctioneer;
 - c. Competitive bid. Advertise in local newspaper for written bids and sell to highest bidder;
 - d. Sell to an eligible governmental agency/authority or non-profit agency for not less than \$1.00 as long as all of the following criteria are met:
 - i. The vehicle/equipment has met its useful life; and
 - ii. The vehicle/equipment has no depreciable value; and
 - iii. The State share of the estimated fair market value does not exceed \$1,000.00; and,
 - iv. The board of the governmental agency/authority or non profit agency seeking to sell the vehicle/equipment, has given their approval to this disposal process.
3. In addition, after the vehicle is sold the transit agency must update the Public Transportation Management System (PTMS). This update will include:
 - a. Change the vehicle status from "Local Sale" to "Disposed"
 - b. Enter "date disposed".
 - c. Enter "current miles" and "miles as of date".
 - d. Enter the "disposal amount".

Contact: If you have any questions on this procedure, feel free to contact your PTD Project Manager.

Approved: _____ **Signed By: Kip Grimes**
Division Administrator

10/21/2002
Date